



June 11, 2014

Item No. 7

**AUTHORIZATION TO EXECUTE CONTRACT WITH MADISON CONSTRUCTION COMPANY FOR  
MODERNIZATION & LIFE SAFETY AT 6400 N. SHERIDAN ROAD, CHICAGO, IL (CAROLINE  
HEDGER APARTMENTS)**

To the Honorable Board of Commissioners:

**RECOMMENDATION**

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with Madison Construction Company for the modernization and life safety upgrades at Caroline Hedger Apartments. in the firm fixed amount of \$30,437,000 plus a not to exceed amount of \$1,826,220 in contingency (which is in line with industry standards) strictly limited to potential change orders justified as discovered conditions or code compliance issues for a total amount not to exceed \$32,263,220.

The life safety portion of the Scope of Work is to be completed within 364 days of the date set forth in the Notice to Proceed. The balance of the Scope of Work is to be completed within 730 calendar days of the date set forth in the Notice to Proceed. Caroline Hedger Apartments is located at 6400 N. Sheridan Rd., Chicago, IL.

The Deputy Chief and the Interim Director of the Capital Construction Department, the Office of the General Counsel, and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

**CORPORATE GOAL:** Ensure the Chicago Housing Authority's portfolio is safe, decent and sustainable.

**FUNDING:** General Fund

**SOLICITATION SUMMARY**

**Specification No.:** IFB 14-01285

**Vender:** Madison Construction Company  
15657 S. 70th Ct.  
Orland Park, IL 60462

**Contract Type:**

Construction Services

**Base Contract Amount:** \$30,437,000

Contingency amount: Not to Exceed  
\$1,826,220

The aggregate amount: Not to exceed  
\$32,263,220.

**Contract Period:**

**Solicitation Release Date:**

February 20, 2014

**Days Advertised:**

46 business days

**Addendum(s):**

Scope of Work to be completed within 730 calendar days from the date set forth in the Notice to Proceed

- 1) March 28, 2014
- 2) April 1, 2014
- 3) April 8, 2014

**Option Period:** not applicable

**Publications:** Chicago Sun-Times, Defender, Extra, CHA website, BuySpeed

**Vendor List:** 866

**Pick-Up List:** 71

**Pre-Bid Date:** March 4, 2014

**Solicitation Due Date:** April 15, 2014

**Assist Agencies:** 66

**Respondents:** 4

**M/W/DBE Respondents:** 2

<b><u>COMPLIANCE INFORMATION</u></b>	<b>New Hires Needed</b>	<b>Required</b>	<b>Proposed</b>
M/W/DBE Participation		\$12,174,800 (40%)	\$12,261,731 (40.3%)
Section 3 Hiring No. (30% of new hires)	14	4	10
Section 3 Business Concern		\$3,043,700 (10%)	\$3,958,762 (13%)
- Other Economic Opportunity	N/A		

#### **GENERAL BACKGROUND /EXPLANATION**

Caroline Hedger Apartments is a senior development located at 6400 N. Sheridan Avenue. Built in 1973, the building is 26 stories tall, covering 450 unit, and is located in the 49th Ward. In 2008 selected units were remodeled to meet current accessibility requirements, the community room was completely renovated, and exterior windows and doors were upgraded.

On February 20, 2014 the Chicago Housing Authority (CHA) solicited general contractors to provide construction services for the modernization and life safety upgrades at Caroline Hedger Apartments.

The scope of work for this project consists of site Improvements, (Parking lot, entrance driveway, planting/landscaping) and the following building Improvements:

- Exterior Improvements: Replacement windows and façade treatment
- Mechanical, electrical and plumbing improvements: new fan coil units, new domestic water lines, new horizontal and vertical sanitary lines, new kitchen waste lines, new vent lines
- Unit improvements: Kitchen: new cabinets, countertops, sinks, fixtures, flooring and appliances
- Bathrooms: New shower stalls, toilets (as needed), sinks, fixtures, flooring and bathroom accessories
- Other: New doors, door hardware, flooring and paint throughout all units
- Interior common area improvements: Security cameras, lobby and hallway enhancements (ADA reception desk, Finishes – flooring, painting, lighting), recreation room enhancements with new finishes, first floor restroom upgrades with new finishes.

The Life Safety Program is the CHA's ongoing commitment to having all of our high-rise buildings compliant with the city of Chicago's High-Rise Safety Code. The City of Chicago Code requires fully sprinkled life safety building systems to be code compliant by January 1, 2017.

- Life Safety Improvements consist of:

- Fire Protection: Communication systems, control panel, fire alarm phones in stairwell
- Alarm Systems: Smoke, heat, and carbon monoxide detectors, horns and strobe warning devices
- Suppression Systems (Fire sprinklers in common areas and units): Sprinkler pipe and sprinkler heads, fire pump
- Elevator Upgrades, Recall System, Elevator Programming

### **PROCUREMENT INFORMATION**

On February 20, 2014 CHA issued an Invitation for Bid 14-01285 to provide construction services for the renovations to Caroline Hedger Apartments. The advertisement ran in the Chicago Sun-Times, the Chicago Defender, Extra, on the CHA website, and on BuySpeed Online. The pre-bid conference and site visit were held on March 4, 2014.

The CHA issued three addendums: March 28, 2014, April 1, 2014, and April 8, 2014. They answered Requests for Information (RFIs), and distributed selected new and revised drawings and technical specifications.

The solicitation was advertised for 46 days. The CHA received and opened 4 bids on April 15, 2014, and of the bidders, 2 were M/W/DBE vendors. The apparent low bidder was Madison Construction at \$30,437,000. This amount falls 15% under the architect's independent cost estimate of \$36,009,941. The next two lowest bids were over 7% higher than Madison's bid.

### **RECOMMENDATION**

The Capital Construction Department recommends that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with Madison Construction for the modernization and life & safety upgrades located at 6400 N. Sheridan, Chicago, IL, Caroline Hedger Apartments for the amount of the winning bid of \$30,437,000 + \$1,826,220 in contingency (6%, which is in line with industry standards) for a total not-to-exceed amount of \$32,263,220.

Use of this contingency fund will be subject to the established change order process and will require approval by the Change Order Committee of the Capital Construction Department. Its use is strictly limited to change orders justified as due to discovered conditions or code compliance issues.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal (Department of Housing and Urban Development) procurement laws.

The Deputy Chief and Interim Director of the Capital Construction Department concur with the recommendation to enter into a contract with Madison Construction Company for the modernization and life & safety upgrades at Caroline Hedger.

The CEO/President recommends approval to enter into a contract with Madison Construction Company for renovations at 6400 N. Sheridan Rd., Chicago, IL, Caroline Hedger.

**RESOLUTION NO. 2014-CHA-62**

**WHEREAS**, the Board of Commissioners has reviewed the Board Letter dated June 11, 2014 entitled "AUTHORIZATION TO EXECUTE A CONTRACT WITH MADISON CONSTRUCTION COMPANY FOR THE MODERNIZATION AND LIFE SAFETY AT 6400 N. SHERIDAN ROAD, CHICAGO, IL (CAROLINE HEDGER APARTMENTS)";

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY**

**THAT** the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with Madison Construction Company for the modernization and life and safety upgrades at Caroline Hedger Apartments, 6400 N. Sheridan, Chicago, IL, in the firm fixed amount of \$30,437,000 plus an amount not-to-exceed \$1,826,220 in contingency strictly limited to potential change orders justified as discovered conditions or code compliance issues for a total amount not to exceed \$32,263,220. The life safety portion of the Scope of Work is to be completed by no later than 364 days of the date set forth in the Notice to Proceed. The balance of the Scope of Work is to be completed within 730 calendar days of the date set forth in the Notice to Proceed.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3, and bonding and insurance requirements.



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[www.thecha.org](http://www.thecha.org)